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10/700,837	11/03/2003	Elliot Yasnovsky	23867-08200	5781

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EXAMINER

LE, KHANH H

ART UNIT PAPER NUMBER

3622

DATE MAILED: 12/28/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

10/700,837

Applicant(s)

YASNOVSKY ET AL.

Examiner

Khanh H. Le

Art Unit

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[Handwritten signature]

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 03 November 2003.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 49-94 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 49-94 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

DETAILED ACTION

1. This Office Action is responsive to the original application. Claims 1-48 have been cancelled. Claims 1-94 are pending and examined. Claims 49, 67, 92 are independent.

Claim Rejections - 35 USC § 112

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. **Claims 67-91 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.**

Claim 67: a computer is claimed in the preamble while the steps refer to software modules. It is unclear what is exactly claimed. Appropriate correction is required.

All claims dependent on claim 67 are also rejected because of the dependency.

Claim Rejections - 35 USC § 101

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claims 49, 52-55, 57-58, 60-66 are rejected under 35 U.S.C. 101 because the claimed inventions are directed to non-statutory subject matters.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175

USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. In re Toma at 857.

In Toma, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in State Street Bank & Trust Co. v. Signature Financial Group, Inc. never addressed this prong of the test. In State Street Bank & Trust Co., the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See State Street Bank & Trust Co. at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See State Street Bank & Trust Co. at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, State Street abolished the Freeman-Walter-Abele test used in Toma. However, State Street never addressed the second part of the analysis, i.e., the "technological arts" test established in Toma because the invention in State Street (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under

the Toma test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See Ex parte Bowman, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

Thus the present basis for a 35 USC 101 inquiry is a two-prong test :

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

As to the second prong of the test, for a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result.

In the present case, as to claim 49, the claimed invention produces receiving a request to initiate an ad campaign , reviewing the ad, and displaying the ad when the campaign is accepted (i.e., useful and tangible).

However claim 49, and its dependents 52-55, 57-58, 60-66 fail the first prong of the test.

Under this test, for a process claim to pass muster under the “technological arts” prong, the recited process must somehow apply, involve, use, or advance the technological arts. In the present case, claims 49, 52-55, 57-58, 60-66 have no connection to the technological arts. The recited steps of merely receiving a request to initiate an ad campaign , reviewing the ad, and displaying the ad when the campaign is accepted does not apply, involve, use, or advance the technological arts in a non-trivial way since all of the recited steps can be performed in the mind of a person, by use of a pencil and paper, then manually and physically presenting to another person. “Receiving a request, over the Internet, “... is not sufficient to overcome this rejection since it is only a trivial use of technology such as sending a request by e-mail, while all the other steps as mentioned above may be mental or manual only.

Although the recited process produces a useful, concrete, and tangible result, since the claimed invention, as a whole, is not within the technological arts in a non-trivial way as explained above, claims 49, 52-55, 57-58, 60-66 are deemed to be directed to non-statutory subject matter.

To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological arts, such as incorporating a computer network or electronic network **into some of the steps**; for example: “(a) receiving over a computer network a request to initiate an advertisement campaign... (b) using a computer , reviewing the advertisement.... c) displaying at an URL the advertisement ...”. The other claims could be similarly amended to include a computer network or a computer, in a significant way, in at least some of the steps.

6. Claims 67-91 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As to claim 67 “instructions for..” in the steps amount to non-functional software per se. See MPEP 2106 IV B 1 (a). All claims dependent on claim 67 are rejected on the same basis.

Claim Rejections - 35 USC § 102

7. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

8. Claims 49-50, 54, 61-64, 66-72, 77, 85-88, 90-93 are rejected under 35 U.S.C. 102(b) as being anticipated by Brown et al., US 6026368, herein Brown.

As to claims 49, 50, 61, 67, 85, 92-93, Brown discloses

A computer comprising:

a self-serve user interface comprising:

instructions for receiving a request, over the Internet, to initiate an advertisement campaign, the request comprising'

a designation of an advertisement to be used in the advertisement campaign, and

a time period in which the advertisement is to be run;

instructions for reviewing the advertisement, and,
when the advertisement is deemed not approved, the advertisement campaign is rejected, and
when the advertisement is deemed approved, the advertisement campaign is accepted (this is implied in Brown) ; and

instructions for displaying said advertisement, by posting at a predetermined URL, when the advertisement campaign is accepted, during said time period.
(see at least col. 23 lines 1 to col.24 lines 67).

As to a maximum amount to spend on the advertisement campaign, it's non-functional data and thus not accorded patentable weight.

As to claims 54, 77 (dependent on claims 49, 67 respectively),
Brown discloses
providing a plurality of time periods that are available for the advertisement;
and
accepting a selection of a time period in the plurality of time periods to run the
advertisement (see at least col. 12 lines 49-66) .

As to claims 68 (dependent on claim 67) BROWN discloses
a self-serve billing module coupled to the self-serve user interface for billing
the originator of the request when the advertisement is displayed on the predetermined
web site or on the web site specified by said request order (see at least Fig. 3 and
associated text).

As to claims 69, 70, 71, 72. (dependent on claim 68, 69, 67, and 71 respectively)
BROWN discloses

a system for managing information about the request;
and an advertisement server for
serving advertisements to the predetermined web site on the web site specified by the
request (see at least col. 23 lines 1 to col. 24 lines 67).

aggregating data about advertisement serves and providing updates of such data to the
contract management system (see at least col. 23 lines 1 to col.24 lines 67).

instructions for displaying on a predetermined web site or on a web site
specified by said request during said time period (see at least col. 23 lines 1 to col.24
lines 67)..

to a remote computer that displays said web site in an Internet browser running on said
remote computer (see at least col. 23 lines 1 to col.24 lines 67).

As to claims 62-64, 86-88 (dependent on claims 61 and 85)
“as a function of the relevancy of the advertisement.” in claims 61 or 85 is interpreted as to qualify “on a web site specified by the request”. Since this branch of the two alternatives in claim 61, (to wit, “on a predetermined web site” vs. “on a web site specified by the request”) was not chosen, it follows no prior art needs to be applied to “as a function of the relevancy of the advertisement.” in claim 61. Thus no prior art needs to be applied to claims 62-64 that depend thereon either.

As to claims 66, 90 (dependent on claims 49, 67 respectively) Brown discloses wherein said advertisement is (i) text only, (ii) text and a URL link, (iii) an icon and a URL link, (iv) a banner ad, (v) a graphic, or (vi) a video (abstract) .

As to claim 91, Brown discloses wherein said instructions for displaying said advertisement, when the advertisement campaign is accepted, during said time period comprise:
instructions for incorporating said advertisement into a web page; and
instructions for serving said web page at a predetermined URL or at a URL specified by said request (abstract) .

Claim Rejections - 35 USC § 103

9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. Claims 51, 57-59, 60, 65, 73, 81-84, 89, and 94 are rejected under 35 U.S.C. 103(a) as being unpatentable over Brown.

As to claims 51, 73, 94 (dependent on claims 49, 67 respectively),

Official Notice is taken that it is well-known to display advertisements on wireless devices to take advantage of the new ubiquity of these mobile devices. It would have been obvious to one skilled in the art at the time the invention was made to add to the above teachings display advertisements on a predetermined wireless device or on a wireless device specified by said request during time period for the above-stated advantage.

As to claims 57, 81 (dependent on claims 49, and 67 respectively), Brown does not specifically disclose

displaying a summary of a plurality of advertising campaigns, each respective advertisement campaign in the plurality of advertising campaigns defining: a designation of one or more advertisements to be used in the respective advertisement campaign, and

a time period in which an advertisement in the respective advertisement campaign is to be run.

However all the claimed data are non-functional data to which no patentable weight should be given. It would have been obvious to one skilled in the art at the time the invention was made to add any kind of non-functional data desired to the system of Brown as needed to convey any information needed. This does not change the operative steps of Brown method thus no patentable weight should be given thereto.

As to claim 60, and 84(dependent on claims 49 and 67), Official Notice is taken that it is well-known to set ad placement contract conditions at the time of request of service because of the value of a certain ad spots. This it would have been obvious to one skilled in the art at the time the invention was made to set a cost for said advertisement campaign by a time that the request is received as a complement to Brown's contract conditions (see fig. 10, item 310) for the above-stated advantage.

As to claims 58-59, 82-83 (dependent on claims 57, 81) **Brown** does not specifically disclose

wherein a first advertising campaign in the plurality of advertising campaigns has a status and the step of displaying a summary of the plurality of advertising campaigns comprises displaying the status of the first advertising campaign; and wherein the method further comprises receiving instructions to change the status of the first advertising campaign from a first state to a second state,

and wherein the first state and the second state are each independently an active state, a suspended state, or a cancelled state, wherein when said state of said first advertising campaign is the active state, the one or more advertisements specified by the first advertisement campaign are nm on a

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predetermined web site or on a web site specified by the advertising campaign',
when said state of said first advertising campaign is the suspended state, the
one or more advertisements specified by the first advertisement campaign are not nm
on a predetermined web site or on a web site specified by the advertising campaign;
and
when said state of said first advertising campaign is the cancelled state, the
first advertisement campaign is removed from the plurality of advertising campaigns.

However Official Notice is taken that it is well-known is taken that contracts
status updating of several contracts in a system for management of contracts whereby the
updated status, such as cancellation or modification, gives rise to appropriate action
regarding the contract, is well-known as a standard contracts management procedure.
Thus it would have been obvious to one skilled in the art at the time the invention was
made to add such same features to Brown in the context of ad campaigns management for
the above-stated advantages, and arrive at the claimed features.

As to claims 65, 89 (dependent on claims 49, 67 respectively)

Brown does not specifically disclose
wherein said displaying (C) further comprises computing an effective cost per Mil (espy)
for the advertisement. However effective cost per Mil (espy) is not specifically defined
in the Specifications.. Further Official Notice is taken that the cost per Mil (espy) for an
ad is a well-known accounting measure of the effectiveness of an ad. It would have been
obvious to one skilled in the art at the time the invention was made to add such
measurements to the **Brown** system to report to advertisers the effectiveness of the
campaign to supplement **Brown** 's accounting/reporting to advertisers procedures (see at
least Fig. 1, item 30: "exposure accounting module" and associated text).

As to displaying said advertisement on a predetermined web site (Note no prior art is applied to the rest of the claim as it is not required, due to the use of the first "or" in the claim.)

11. Claims 52, 55-56, 74, 78-80 rejected under 35 U.S.C. 103(a) as being unpatentable over Brown as applied to claims 49 and/or 67 above, and further in view of Sparks, US 6167382.

As to claims 52, 74 (dependent on claims 49, 67 respectively),
Sparks discloses

providing templates for users to select and insert wherein ad information to design customized ads. It would have been obvious to one skilled in the art at the time the invention was made to add such features into the above teachings to allow design of customized ads as taught by Sparks.

As to claims 55, 78, 79, BROWN discloses
the advertisement campaign comprises a
plurality of advertisements, and
providing an image of each advertisement in the plurality of advertisements in
the advertisement campaign (see at least col.23 lines 55-56).; and

Sparks discloses
receiving instructions to edit the plurality of advertisements (abstract).
It would have been obvious to one skilled in the art at the time the invention was made to
add such features of Sparks to BROWN to allow revisions of ads.

As to claims 56, 80, (dependent on claims 55, 78 respectively)
BROWN discloses
the instructions to edit the plurality of advertisements modify:

which advertisements are part of the plurality of advertisements,
a web page that an advertisement in the plurality of advertisements is posted to
when the advertisement is run; or
a time period in which an advertisement in the plurality of advertisements is
run on a web site (see at least col. 23 to col. 24).

12. Claims 53, 75, 76 are rejected under 35 U.S.C. 103(a) as being unpatentable over Brown as applied to claims 59 and /or 74 above, and further in view of Witek et al., US 6253188.

As to claims 53, 75, 76 (dependent on claims 59, 74)

Brown does not specifically disclose but Witek discloses providing a preview of the advertisement designated by the request (see at least abstract). it would have been obvious to one skilled in the art at the time the invention was made to add Witek to Brown to allow editing of the ads.

Conclusion

13. Prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

14. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Khanh H. Le whose telephone number is 703-305-0571. The Examiner works a part-time schedule and can best be reached on Tuesday-Wednesday 9:00-6:00.

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The examiner can also be reached at the e-mail address: khanh.le2@uspto.gov. (However, Applicants are cautioned that confidentiality of email communications cannot be assured.)

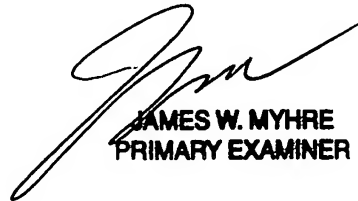
If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Eric Stamber can be reached on 703-305-8469. The fax phone numbers for the organization where this application or proceeding is assigned are 703-872-9326 for regular communications and 703-872-9327 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.

December 10, 2004

KHL

KHL


JAMES W. MYHRE
PRIMARY EXAMINER